

Message Text

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ACTION NEA-16

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FM AMEMBASSY NEW DELHI

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AMCONSUL KARACHI

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FOLLOWING TEL SENT ACTION NEW DELHI INFO CALCUTTA MADRAS
FROM BOMBAY JULY 25, 1974, REPEATED TO YOU: QUOTE

LIMITED OFFICIAL USE BOMBAY 1692

E.O. 11652: N/A

TAGS: PFOR EGEN IN

SUBJ: NARMADA RIVER - INDIA'S WASTING ASSET

1. SUMMARY. ONE OF INDIA'S MAJOR REGIONAL PROBLEMS WHICH
ADVERSELY AFFECTS INDIA'S ECONOMIC DEVELOPMENT IS THE MORE THAN
A DECADE OLD DISPUTE BETWEEN GUJARAT AND M.P. OVER THE SHARING
OF THE NARMADA RIVER WATERS. IN REFERRING THIS ISSUE BACK
TO TRIBUNAL FOR ADJUDICATION ON JULY 12, THE CENTRE HAS ONCE
AGAIN DECLINED TO TAKE A DECISION WHICH ONLY IT CAN AND MUST
MAKE. INEXORABLY, HOWEVER, INCREASING ECONOMIC AND POLITICAL
PRESSURES ARE LIKELY TO FORCE A RELUCTANT CENTRE IN THE NOT
TOO DISTANT FUTURE TO DO SOMETHING EVEN THOUGH IT DOES NOT FULLY
SATISFY EITHER OF THE CONTENDING STATES. IN THE MEANWHILE ONE

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OF INDIA'S MAJOR ASSETS WASTES AWAY.

2. IT IS A SAD COMMENTARY THAT IN A COUNTRY WOEFULLY SHORT OF
IRRIGATED LAND AND POWER, ONE OF INDIA'S MAJOR RIVERS, THE

NARMADA, CONTINUES TO EMPTY ITS UNUTILIZED WATERS EACH YEAR (APPROXIMATELY 36 MILLION ACRE FEET - EQUAL TO COMBINED FLOW OF THE PUNJAB RIVERS RAVI, BEAS AND SUTLEJ), INTO THE ARABIAN SEA BECAUSE OF THE RELUCTANCE OF THE CENTRE TO BITE THE BULLET AND RESOLVE THE LONG-STANDING DEADLOCK BETWEEN THE TWO STATES PRINCIPALLY INVOLVED, M.P. AND GUJARAT, AS TO HOW THESE WATERS ARE TO BE DIVIDED BETWEEN THEM. IF FULLY HARNESSSED, IT IS ESTIMATED THAT THE NARMADA CAN IRRIGATE SOME 12 MILLION ACRES OF LAND AND GENERATE SOME 2300 MW OF ELECTRIC POWER. AS MATTERS STAND, HOWEVER, THE WATERS GO UNUTILIZED YEAR AFTER YEAR FLOWING THEIR LAST 100 MILES THROUGH THE PLAINS OF GUJARAT WHERE EARLIER THIS YEAR FOOD SHORTAGES SPARKED A STUDENT-LED REVOLT. THE DISPUTE CENTERS ON THE HEIGHT OF THE DAM TO BE BUILT AT NAVAGAM IN GUJARAT. GUJARAT WANTS A HIGH DAM (AROUND 500 FEET) AND M.P. AS LOW A ONE AS POSSIBLE (PREFERABLY IN THE 200/300 FOOT RANGE) IN ORDER TO REDUCE THE AREA OF M.P. LAND SUBMERGED AND THE POPULATION DISLOCATION. ACCORDING TO M.P., THE NARMADA BASICALLY BELONGS TO IT WITH SEVEN-EIGHTS OF ITS COURSE AND MORE THAN 80 PER CENT OF ITS CATCHMENT AREA WITHIN THE STATE. FOR GUJARAT THE NARMADA MEANS THE DIFFERENCE BETWEEN FOOD DEFICIT AND SURPLUS AND MAKING THE KUTCH DESERT BLOOM. WITH ITS POWER GUJARATI ENTREPRENEURS CAN SURPASS SUBSTANTIALLY THE BOMBAY-POONA INDUSTRIAL COMPLEX. THE M.P., CASE AGAINST A HIGH DAM IS MUCH LESS COMPELLING IN ECONOMIC TERMS AND IS MOTIVATED IN CONSIDERABLE MEASURE BY PAROCHIAL CONSIDERATIONS. IT IS A FOOD SURPLUS STATE AND THE POWER IT WOULD RECEIVE WOULD HELP IMPORTANTLY IN THE DEVELOPMENT OF THIS LARGELY UNDERDEVELOPED AREA. GUJARAT STANDS READY TO DEFRAID POPULATION RELOCATION COSTS.

3. THE CENTRE'S EFFORTS SINCE 1963 TO FIND A SOLUTION ACCEPTABLE TO THE TWO STATES HAVE BEEN UNAVAILING MAINLY FOR THE REASON THAT IT IS POLITICALLY IMPOSSIBLE FOR EITHER STATE TO MAKE SUBSTANTIAL CONCESSIONS TO THE OTHER ON THIS HIGHLY CHARGED ISSUE. INSTEAD OF RESOLVING THE ISSUE AS ONLY IT CAN, THE CENTRE IN 1969 TOOK THE POLITICALLY MORE PALATABLE DECISION OF REFERRING THE DISPUTE TO A TRIBUNAL FOR ADJUDICATION. BY AGREEMENT OF THE
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STATES INVOLVED, HOWEVER, THE ISSUE WAS WITHDRAWN FROM THE TRIBUNAL IN 1972 AND TURNED OVER TO THE PM FOR AN AWARD. ON JULY 12, 1974, THE DISPUTE WITH THE CONCURRENCE OF THE STATES CONCERNED WAS HANDED BACK TO THE TRIBUNAL WITH THE MAJOR ISSUES UNRESOLVED, I.E. THE HEIGHT OF THE DAM AND THE SHARING OF THE WATER AND ELECTRIC POWER BETWEEN M.P. AND GUJARAT. ONLY THE QUESTION OF THE TOTAL QUANTITY OF WATER TO BE DISTRIBUTED TO MAHARASHTRA AND RAJASTHAN WAS REPORTEDLY AGREED TO BY THE STATES CONCERNED MEETING IN THE PRESENCE OF MRS GANDHI. WHILE THE PRESS REFERRED TO THIS AS A "NARROWING OF THE DIFFERENCES", THIS IS MORE IMAGINARY THAN REAL. THE CAMPAIGN IN GUJARAT FOR AN EARLY RESOLUTION OF THIS ISSUE IS MOUNTING AND CHIMANBHAI

PATEL AND HIS NEW REGIONAL PARTY ARE PRESSING IT AND TO THE DIS-ADVANTAGE OF THE RULING CONGRESS THERE. THE M.P. FOR ITS PART IS MAINTAINING ITS OPPOSITION TO THE NAVAGAM DAM IN ORDER TO TRY AND FORCE GUJARAT TO ACCEPT AS LOW A DAM AS POSSIBLE. IN MEANWHILE, IT IS ENDEAVORING TO IMPLEMENT WITH MAHARASHTRA'S COOPERATION (WHICH HAS LITTLE CLAIM ON NARMADA) MODEST POWER PROJECT WHICH COULD NOT BE ACCOMPLISHED IF HIGH DAM BUILT AS ONE MEANS OF REINFORCING M.P.'S CASE.

4. COMMENT: THE FAILURE OF THE PM TO MAKE AN AWARD AND THE REFERRAL OF THIS ISSUE BACK TO THE TRIBUNAL IS NOT IN KEEPING WITH THE FORCEFUL POSTURE MRS GANDHI HAS ASSUMED IN RECENT PAST ON ISSUES SUCH AS THE RAIL STRIKE AND IS DISAPPOINTING SINCE ONLY SHE CAN RESOLVE THIS MATTER IN THE FINAL ANALYSIS. IT SUGGESTS RATHER A FURTHER DELAYING TACTIC TO POSTPONE A POLITICALLY UNPALATABLE DECISION UNTIL A MORE PROPITIOUS TIME. IN OUR VIEW BOTH ECONOMIC AND POLITICAL CONSIDERATIONS FAVOR GUJARAT IN THIS DISPUTE AND THE CONSTRUCTION OF A HIGH DAM AT NAVAGAM (450 TO 500 FEET). THE DEVELOPMENT OF THE NARMADA IS OF MAJOR ECONOMIC IMPORTANCE TO THE REGION AND TO ALL THE STATES CONCERNED, PARTICULARLY GUJARAT. WE ASSUME, HOWEVER, THAT MRS GANDHI'S APPROACH TO THIS MATTER WILL BE MOTIVATED PRIMARILY BY POLITICAL CONSIDERATIONS. POLITICALLY, THE RULING CONGRESS POSITION IN M.P. IS MUCH STRONGER THAN IT IS IN GUJARAT, SO THAT SHE CAN PERHAPS BETTER ACCEPT A POLITICAL SETBACK THERE THAN IN GUJARAT. BUT SHE IS OBVIOUSLY NOT PREPARED TO FACE AN UPROAR IN THE M.P. AT THIS TIME AND ON THE EVE OF THE PRESIDENTIAL ELECTIONS. ON THE OTHER HAND, THE RULING CONGRESS POSITION IN GUJARAT CONTINUES WEAK AND FACTION-RIDDEN AND LIMITED OFFICIAL USE
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CHIMANBHAI PATEL HAS REEMERGED AS A POLITICAL FORCE TO BE RECKONED WITH AND SHE NEEDS TO STRENGTHEN THE CONGRESS POSITION THERE. WHILE SHE MAY WELL POSTPONE A DECISION ON THIS THORNY ISSUE UNTIL AFTER THE 1976 ELECTIONS, SHE COULD USE A DECISION FAVORABLE TO GUJARAT TO SHORE UP THE CONGRESS THERE AND PRIOR TO THE ELECTIONS WHETHER HELD NEXT YEAR OR AT TIME OF NATIONAL ELECTIONS. SHE COULD, OF COURSE, OPT FOR A COMPROMISE SOLUTION, I.E., MEDIUM HEIGHT DAM, WHICH WOULD NOT FULLY SATISFY EITHER STATE BUT WOULD ENABLE THE PROJECT TO GET UNDERWAY AND LEAVE THE ULTIMATE HEIGHT OF THE DAM TO FUTURE DETERMINATION. THIS WOULD EXPOSE HER, HOWEVER, TO CHARGE THAT SHE ADOPTING CHIMANBHAI'S EARLIER PROPOSAL MADE WHILE CHIEF MIN THAT A MEDIUM HEIGHT DAM WITH A BASE ADEQUATE TO SUPPORT AN EXTENSION TO AROUND 500 FEET BE UNDERTAKEN IN ORDER TO GET PROJECT MOVING. THE ARGUMENT THAT THE DAM WILL HAVE TO BE AT LEAST 385 FEET IN HEIGHT IN ORDER TO PROVIDE THE QUANTITIES OF WATER NOW ALLOCATED TO MAHARASHTRA AND RAJASTHAN COULD LEND SUPPORT TO SUCH A COMPROMISE FORMULA. THIS COULD BE MOST POLITICALLY PALATABLE SOLUTION TO PM. IN ANY EVENT, INDIA CAN HARDLY AFFORD TO PROLONG THIS HEMORRHAGE OF WHAT TO IT IS ITS LIFE-

BLOOD MUCH LONGER FOR WANT OF A DECISION BY ITS LEADERSHIP.

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